IN THE SPECIFICATION

Please amend the paragraph on page 2, lines 18-27 as follows:

The composed (L-R) audio signal is supplied to detection and comparing means 3 to measure the energy content of the composed (L-R) audio signals above a predetermined frequency value and to compare this energy content with a predetermined threshold value. To realize this, the detection and comparing means 3 comprise a filter 4 in the form of a 2nd order Butterworth high pass filter with a cut-off frequency of about 3 kHz, energy measuring means 5 to detect the energy content of the filtered composed (L-R) audio signal, and a comparator 6 to indicate whether or not the measured energy content is above said predetermined threshold value. The comparator 6 supplies a control signal P to switching means 7. P = 0 if the measured energy content is above the threshold value, while P = 1 if the measured energy content is ~~above~~ below that value.

Please amend the paragraph on page 3, lines 11-25 as follows:

- In case the output signal of the energy measuring means 5 is below the predetermined threshold value, and the measurements according to the invention are not applied, then for low frequencies, these are frequencies below 1 kHz, L' and R' can be described by the following equations:

$$L'_l = (L_l + R_l) + (L_l - R_l) = 2L_l, \text{ and}$$

$$R'_l = (L_l + R_l) - (L_l - R_l) = 2R_l,$$

wherein the index l relates to the low frequencies (< 1 kHz), while for ~~low~~ high frequencies, these are frequencies above 1 kHz, L' and R' can be described by the following equations:

$$L'_h = (L_h + R_h) + 0 = (L_h + R_h), \text{ and}$$

$$R'_h = (L_h + R_h) - 0 = (L_h + R_h),$$

wherein the index h relates to the high frequencies (> 1 kHz), so that:

$$L' = 2L_l + (L_h + R_h), \text{ and}$$

$$R' = 2R_l + (L_h + R_h).$$

The high frequency signals are reproduced monophonically or, in other words, as a consequence of dropouts the stereo signal is narrower than before encoding.